MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

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FINAL EXAMINATION

TRIMESTER 3, 2017/2018

BEB3014 – ELECTRONIC BUSINESS

(All sections / Groups)

4 JUNE 2018
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 4 pages with 4 Questions only.

2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

Otto Group Success Story

The Otto Group is the world's second-largest online retailer and the largest online retailer for fashion and lifestyle in Europe. Established more than 60 years ago, Otto Group has in excess of €12 billion in revenue per year functioning as a globally active corporate group of retailers and retail-related services. For the Otto Group, ecommerce is the fastest-growing sales channel with more than 120 major companies including BonPrix, Otto, Crate & Barrel and Hermes.

While growing at a rapid rate across borders and having over 120 brands is a very positive position to be in, it does come with transparency and complexity challenges. With a vast array of brand names within the Otto Group, it had more than 100 reports, which included different KPIs and metrics.

With no common base for web analytics, the Otto Group lacked a clear overview of the market, including traffic sources to the websites and whether this number was growing. The Otto Group needed a platform that could provide an overview benchmark showing what is, and isn't, working in the market across all the brands. This would enable Otto to leverage synergies and best practices among its companies.

In order to overcome this challenge, the Otto Group uses real-time analytics to truly understand their customers and see the complete picture of customer interactions through unlimited data collection and multi-channel measurement across social, mobile and web. "As one of the largest international online retailers, it's vital to the success of our business to have reliable insight on each brand's performance," said Dr Lars Finger, Vice President of the e-Commerce competence centre of the Otto Group.

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"Keeping accurate data is a challenge when managing a high number of global businesses with individual legacy reports. Our approach was to establish standardised KPIs across the portfolio and thus give complete transparency to the executive board.

Adapted from: Webtrends. (2018). *Otto Group Client Success Story* [Online]. Available: https://www.webtrends.com/about-us/client-success/otto-group/ [2018, April 5].

Based on the above case study, answer the following questions:

a. Identify **THREE (3)** e-business challenges faced by the Otto Group and describe **THREE (3)** ways to overcome the challenges. (12 marks)

b. Analyse **FOUR (4)** reasons that result in the failure of the early customer and company relationship management efforts and discuss **FOUR (4)** current efforts of the OTTO Group to make customer and company relationship management more successful. (16 marks)

c. The Otto Group is the world's second-largest online retailer and the largest online retailer for fashion and lifestyle products. Describe how web catalog revenue model can help them in generating more profits. (12 marks)

(Total: 40 marks)

QUESTION 2

a. The term "electronic commerce" and "electronic business" have been interchangeably used. However, these two terms carry different meaning with difference context. Discuss **TWO (2)** main differences between these two terms. (8 Marks)

b. One of the issues face by companies who are operating on both physical stores and online is channel conflict and cannibalization. Describe how this issue occurs and suggest **ONE (1)** way to handle it. (6 Marks)

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c. Differentiate between Video on Demand(VOD), Subscription Video on Demand (SVOD) and Transactional Videon on Demand(TVOD). (6 Marks)

(Total: 20 marks)

QUESTION 3

a. The following figure is a screenshot taken from 11Street, an online company that sells major consumer products. Analyse this screenshot and discuss how 11Street try to fulfill all levels of market segmentation based on McKinsey & Co's six-customer behavior. (12 marks)

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b. Describe how Virtual Private Network (VPN) works and provide **TWO (2)** advantages of using this network over using leased lines private network. (8 marks)

(Total: 20 marks)

QUESTION 4

a. Access control and authentication refers to controlling who and what has access to the Web server. Explain how servers can authenticate users. (6 marks)

b. One way to customize content is to embed programs into Web pages. These programs run when a client device loads the Web page and are called active content. Discuss the **THREE (3)** advantages of embedding active content into Web pages. (6 marks)

c. With the growing popularity of online shopping, e-payment systems became a must for online consumers in order to make shopping and banking more convenient. Discuss in **FOUR (4)** points on how online payments can be convenient for customers and companies. (8 marks)

(Total: 20 marks)

End of Paper